

4Q24 RESULTS CONFERENCE

2024

FESA
B3 LISTED N1



Notice



Companhia de Ferro Ligas da Bahia – FERBASA (B3: FESA3 & FESA4), Brazil's main supplier of ferroalloys and the only Ferrochrome producer in the Americas, discloses the results related to the **operational and financial performance of 2024's fourth quarter**, whose quarterly information was prepared in accordance with accounting practices adopted in Brazil, based on the *Lei das Sociedades por Ações* (a Model Business Corporation Act – MBCA-like law), in the standards and the announcements of the *Comissão de Valores Mobiliários – CVM* (*Securities and Exchange Commission of Brazil*), and the *Comitê de Pronunciamentos Contábeis – CPC* (*Accounting Announcements Committee*) and in the IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB). This presentation contains forward-looking statements and information regarding FERBASA, which are based on assumptions and expectations, which may or may not materialize, and are therefore not guarantees of the Company's future performance. Although FERBASA believes that the assumptions and expectations used are reasonable, we warn investors that this information is and will, as appropriate, be subject to risks and other factors related to the Company's operations and business environments, so that actual results may differ from the projections, expressed or implied, contained in this material. FERBASA expressly disclaims the duty to update the statements, prospects and expectations contained in this document.

2025 APIMEC

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CIA DE FERRO LIGAS DA BAHIA - FERBASA (B3: FESA3 & FESA4), invites its shareholders and the market in general to participate in its annual public conference.

ZOOM MEETING

April 8, 2025 (Tuesday)

2p.m. (Brasília time)

1p.m (NY time)

Virtual conference: [click here](#)

Attendees must log in approximately 10 minutes before the call begins.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT OUR IR OFFICE:

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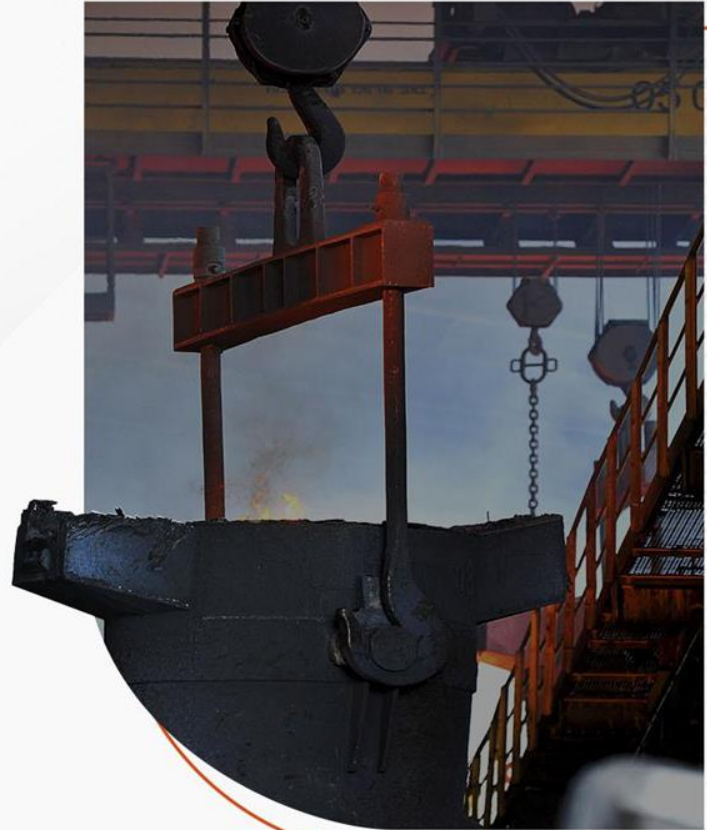


AGENDA

1. 4Q24 Highlights
2. Operational and Financial Performance
3. Market Overview
4. Strategic Projects

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4Q24 x 3Q24 Highlights



- **Adjusted EBITDA reached R\$47 million** and decreased by 63%.
- **Consolidated net profit reached R\$126.3 million** and increased by 21.9%.
- **Cash consumption of R\$39.0 million in 2024.**



- **Increase of 8.0% in sales volume**, with growth of 25.4% in exports and a reduction of 6.4% in shipments to the domestic market.
- **4.0% appreciation** in the average dollar exchange rate.
- **8.4% drop** in the average selling price, in dollars, of ferroalloys.



- **5.3% increase in the COGS** of ferroalloys, combining the increase in sales volume with the reduction in the cost of some important inputs, with emphasis on electricity and bioreducers.



- **A 3.8% reduction in the production of ferroalloys**, with a 21.3% decrease in the production of silicon alloys and a 6.2% increase in chromium alloys. In the case of FeSi HP, there was a 23.1% decrease.



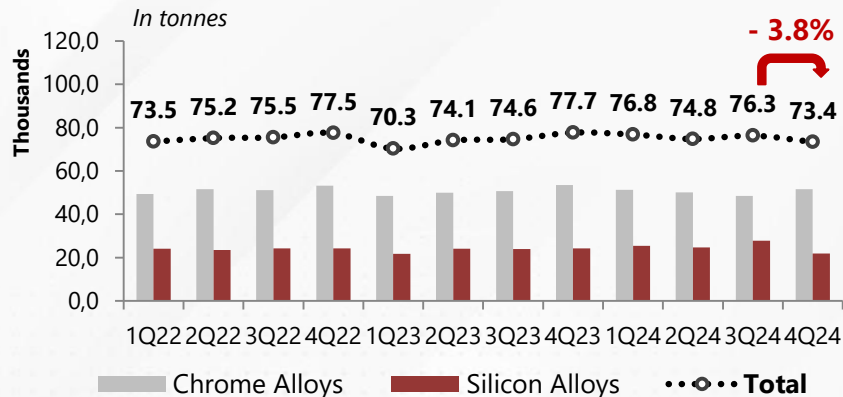
- **Increase of 191.7% in the financial result**, with emphasis on the impact of the monetary update of recovered tax credits, which added R\$56.8 million in 4Q24.



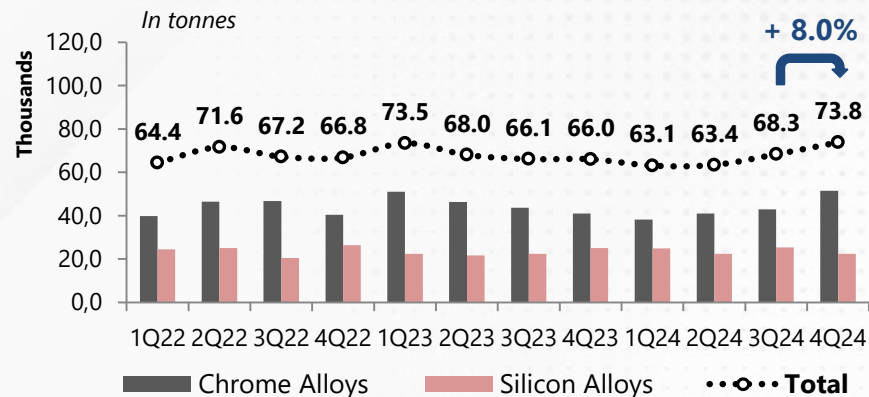
- **CAPEX amounted to R\$103.2 million** and fell by 4.0%.
- **Distribution of proceeds in the amount of R\$ 138.0 million**, in the form of JCP, in December/24.



Production of Ferroalloys

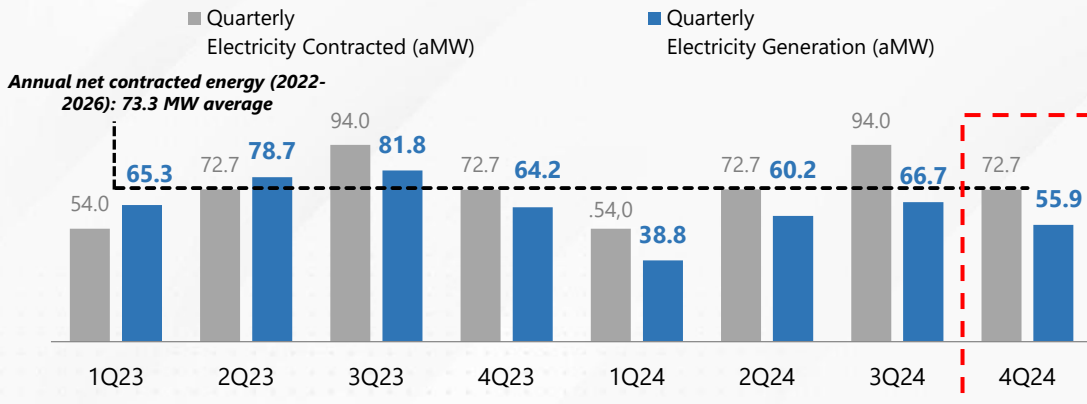


Sales of Ferroalloys



- **Ferroalloy production fell by 3.8%** compared to 3Q24, with a 21.3% contraction in silicon alloys and a 6.2% increase in chromium alloys. **FeSi HP** production fell by 23.1% in 4Q24, reaching 37.5% of the total silicon alloys produced.
- **8.0% increase in ferroalloy sales in 4Q24**, compared to 3Q24, with the following configuration:
 - 25.4% increase in ME** mainly due to the increase in exports of chromium alloys at the end of 2024
 - 6.4% reduction in MI** due to reduced steel consumption and production in the last quarter of the year.

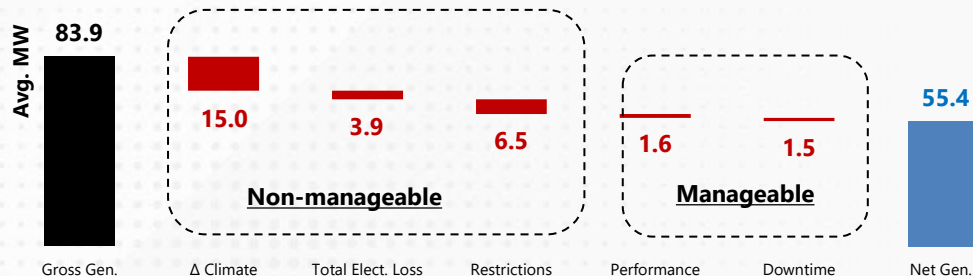
Evolution of Contracted Energy x Net Generation (quarterly)



- In 4Q24, BWG's net electricity generation reached an average of 55.9 MW, 23.2% lower than the average of 72.7 MW contracted for the period.

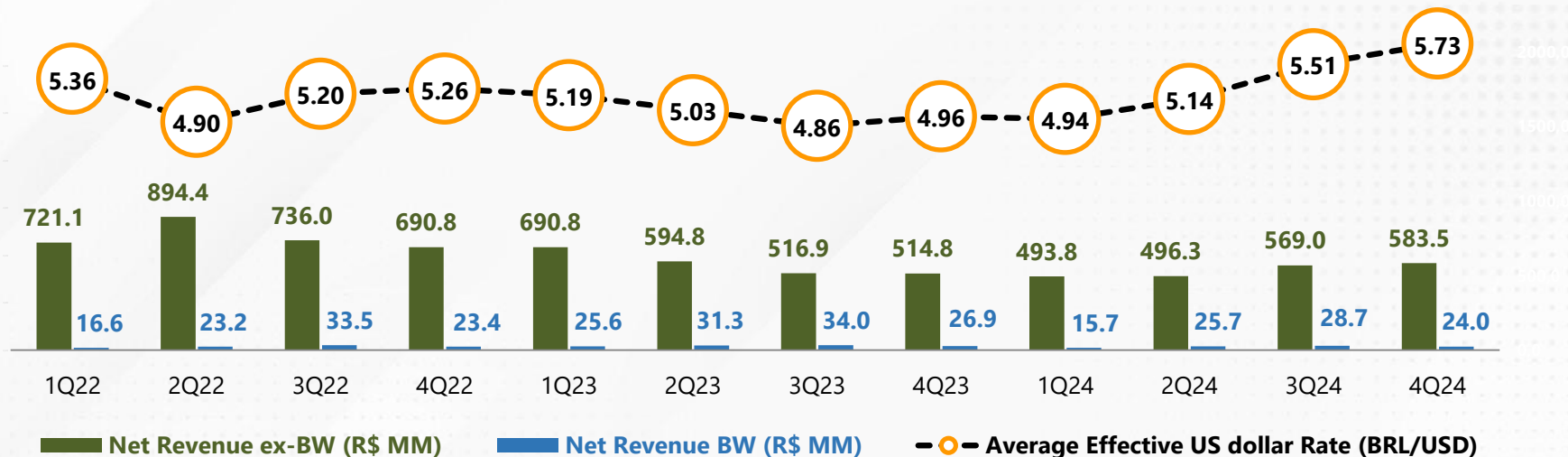
- The deviations recorded in non-manageable factors (-25.4 MW average) were decisive in the energy generation observed in 2024, with negative highlights for the climate and restrictions.
- The manageable factors (-3.1 average MW) were influenced by the performance of the equipment and damage to wind turbines, especially generators and gearboxes, in addition to scheduled maintenance.

Gross contracted generation x Net generation (2024)



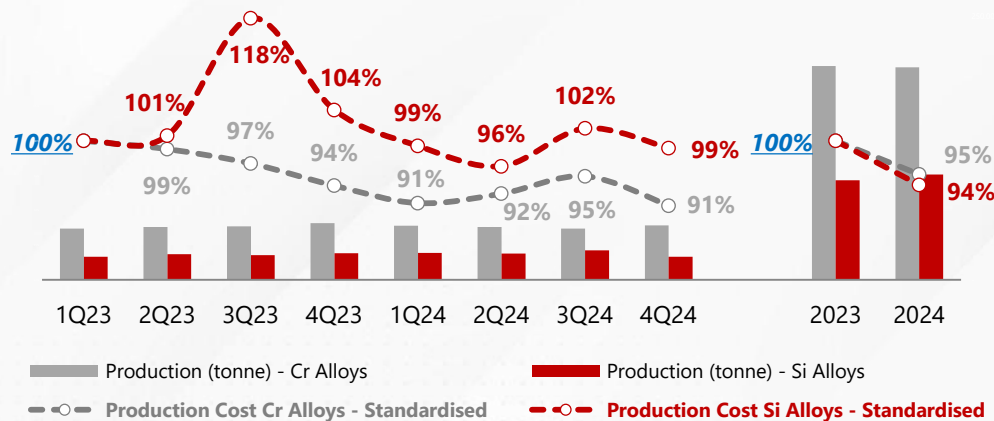
- FERBASA's contribution of R\$9.0 million to the Wind Complex's reserve account to regularize the Coverage Index, required by the contract with BNDES.

Net Revenue and Exchange Rate Variation

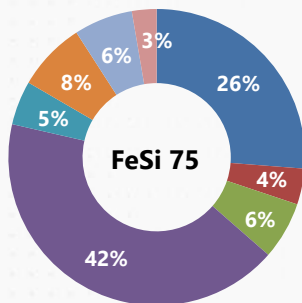
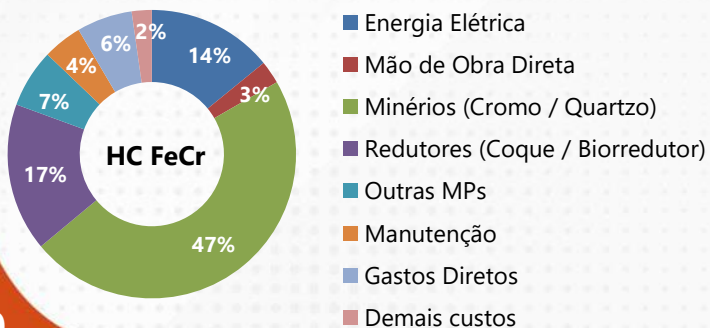


- Consolidated net revenue in 4Q24 totaled R\$ 607.5 million and increased 1.6% compared to 3Q24, resulting from the combination of **an 8.0% increase in sales volume and a 4.0% appreciation in the average dollar rate**, partially offset by **an 8.4% reduction in the average selling price** of ferroalloys in dollars.
- In 4Q24, consolidated net revenue was distributed equally between the **Domestic Market (49.9%)** and the **Foreign Market (50.1%)**.

Evolution of Production Costs



Composition of Production Costs – 2024



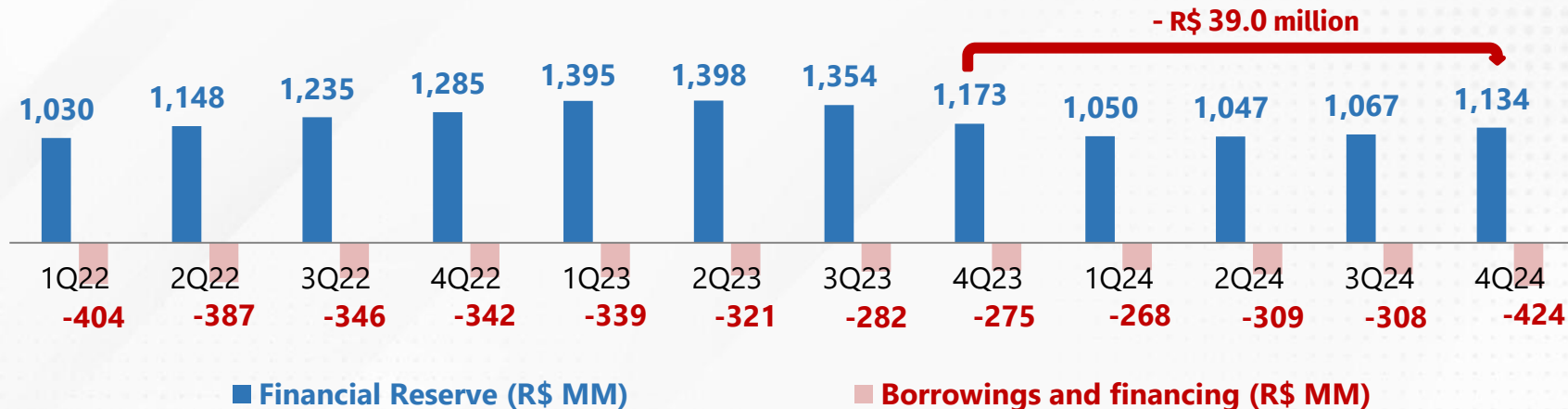
2024 x 2023

HIGHLIGHTS OF PRODUCTION COSTS

- **6.8% reduction in CPV of ferroalloys**, justified mainly by lower costs for electricity and coke, in addition to the 1.8% drop in sales
- **21.8% drop in the cost of electricity consumed**, basically as a result of reductions of 30.1% in the average contracted tariff and 4.3% in sector charges.
- **HC FeCr: reduction in energy and coke costs**, the latter due to the decline in the price of coal.
- **LC FeCr: reduction in energy and reducer costs**, FeSi Cr, produced internally and directly benefiting from the reduction in the cost of HC FeCr.
- **FeSi 75: reduction in spending on electricity and electrolytic paste**, in addition to the dilution of fixed costs due to the increase in production.



Financial Reserve and Indebtedness



HIGHLIGHTS OF CASH CONSUMPTION OF R\$39.0 MILLION IN 2024 :

- ✓ **Operating result** of R\$ 357.1 million;
- ✓ **Distribution of proceeds** in the amount of R\$ 173.6 million;
- ✓ **Amortization of loans and financing** worth R\$70.5 million;
- ✓ **Carrying out** of R\$ 288.7 million in **CAPEX** and R\$ 37.8 in **acquisition of equity interest**;
- ✓ **Raising financial resources** via advance exchange contract (ACC) in the amount of R\$196.1 million.

Financial Result

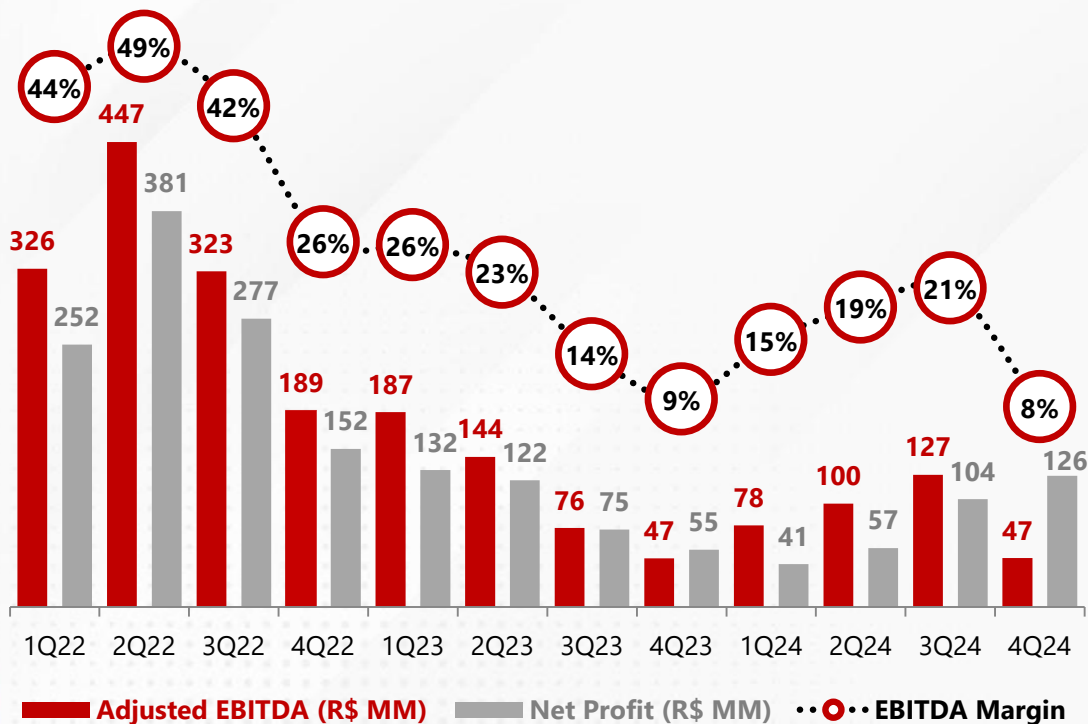


Financial Result (R\$ millions)	4Q24	3Q24	Δ%	4Q23	Δ%	2024	2023	Δ%
Financial performance								
Financial income	102.9	38.1	170.1%	40.4	154.7%	207.1	169.5	22.2%
Financial expense	(17.0)	(15.1)	12.6%	(11.3)	50.4%	(54.2)	(51.3)	5.5%
Net exchange rate variation	(12.4)	2.2	-	(2.2)	463.6%	(5.0)	(2.3)	117.4%
Total	73.5	25.2	191.7%	26.9	173.2%	147.9	115.9	27.6%

FINANCIAL RESULT HIGHLIGHTS – 4Q24

- Between **2024** and **2023** there was a **27.6% increase** in the financial result.
- **Financial revenue of R\$102.9** million grew 170.1% compared to 3Q24, mainly due to the monetary adjustment of tax credits in 4Q24.
- **Financial expenses of R\$17.0 million** increased by 12.6% compared to 3Q24, due to the raising of financial resources via advance exchange contract (ACC).
- **The negative net exchange rate variation of R\$12.4 million** in 4Q24 was impacted by the exchange rate fluctuation in the period.
- Additionally, the Company has US\$ 7.4 million in export restrictions, maturing in 1Q25.

Profit and adjusted EBITDA - consolidated



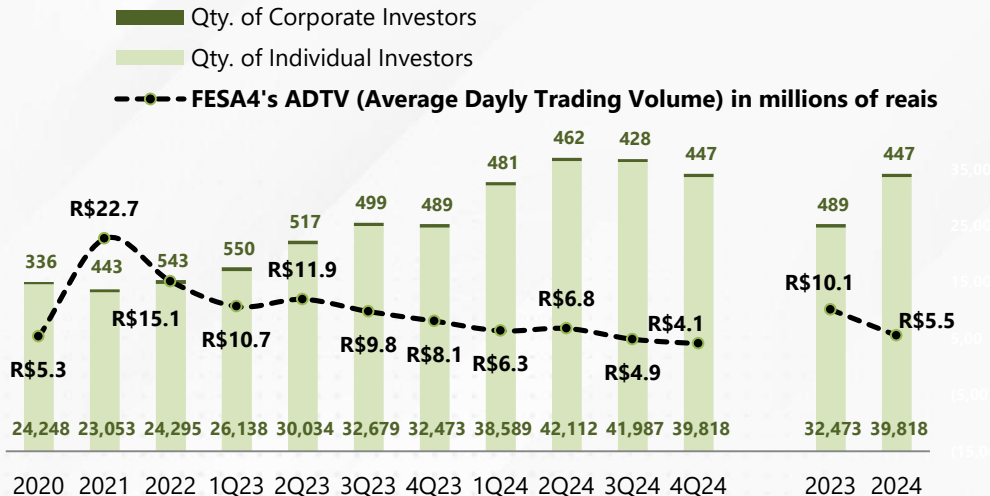
4T24 x 3T24 PROFIT HIGHLIGHTS

- **8.0% growth** in ferroalloy sales volume.
- **4.0% appreciation** in the average dollar practiced.
- **8.4% drop** in the average price of ferroalloys in dollars.
- **5.3% increase** in **COGS** of ferroalloys.
- **BW Guirapá suffers R\$15.8 million loss.**
- **191.7% increase** in financial results.
- **Revenue of R\$61.2 million, related to the recovery of tax credits in 4Q24**, of which R\$4.4 million was other operating revenue and R\$56.8 million was financial revenue.

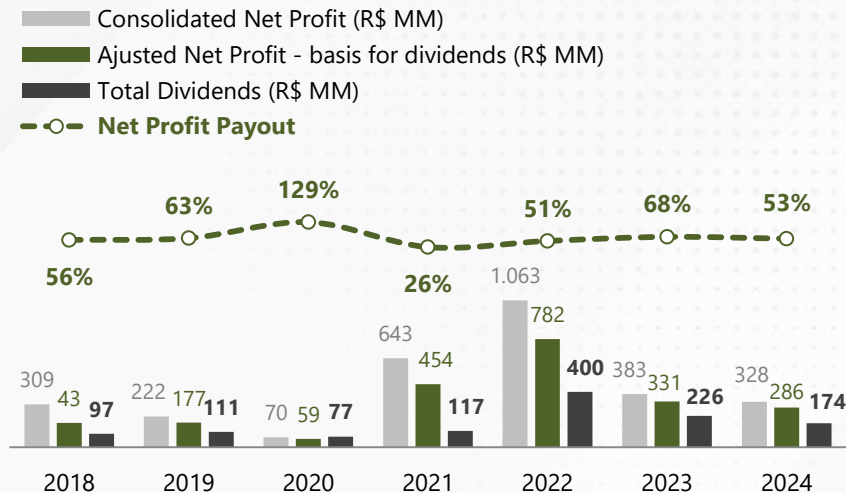


Stock liquidity (ADTV) – FESA4

(ref. 12/31/2024)



Dividends distributed by fiscal year – FESA4

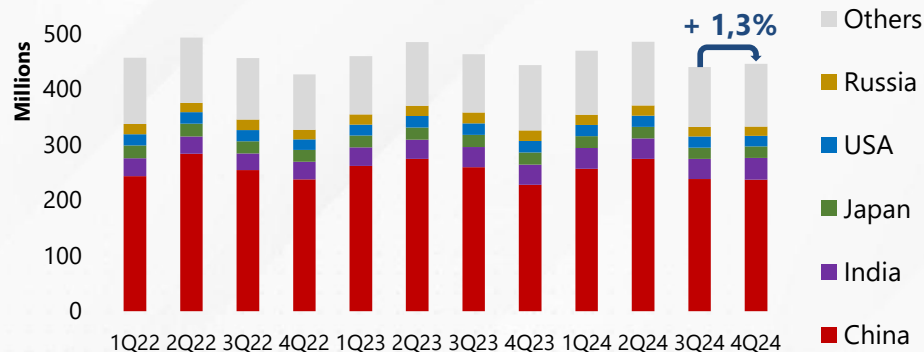


- **ADTV reached R\$4.1 million in 4Q24 and fell 16.0%** compared to 3Q23. Meanwhile, in the period between 2023 and 2024, it fell 45.6%, mainly due to the 28.6% drop in the average price of FESA4.
- In 2024, FERBASA **paid R\$174 million in dividends** in the form of JCP, **reaching a payout of 53%** in relation to the **year's net profit**.

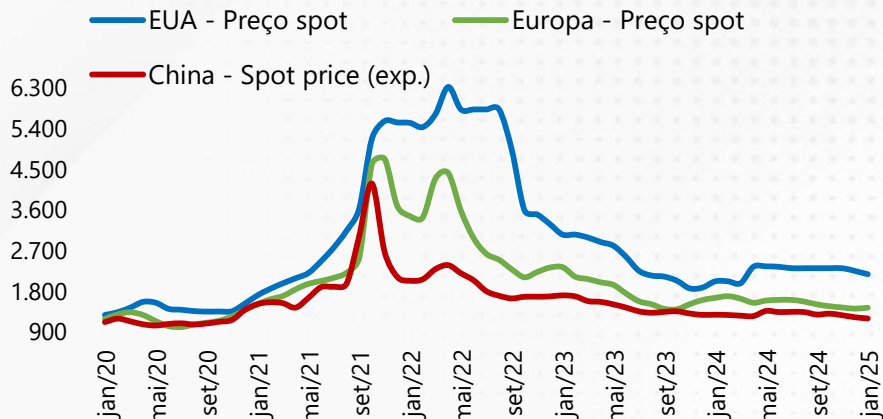


Market Overview – Crude Steel and FeSi

World crude steel production – ton.



FeSi 75 price evolution (realized) – USD/t

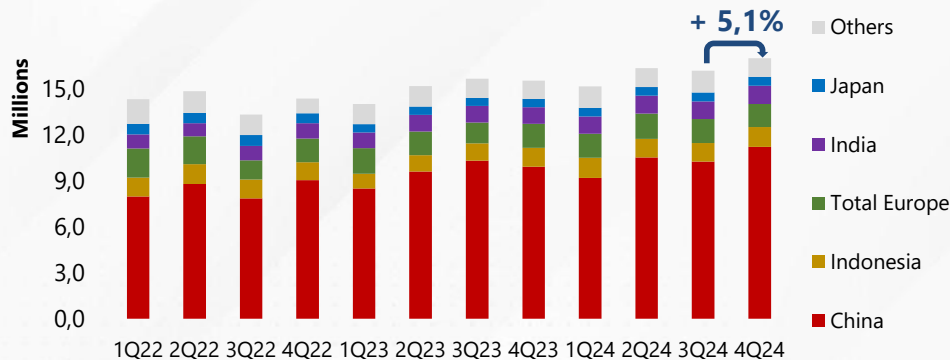


- **According to IABr (Brazilian Steel Institute), in 4Q24, Brazilian crude steel production decreased by 6.2% compared to 3Q24**, in line with the cooling of domestic consumption and exports, which fell by 10.2% and 35.4% respectively. On the other hand, in 2024, production grew by 5.3%, mainly driven by the increase in demand (+8.3%).
- **Local FeSi 75 prices decreased in the three main markets** between 3Q24 and 4Q24 due to the oversupply of silicon alloys in the global market, as a result of the 6.7% increase in Chinese production and the slowdown in consumption, mainly in China and the US.

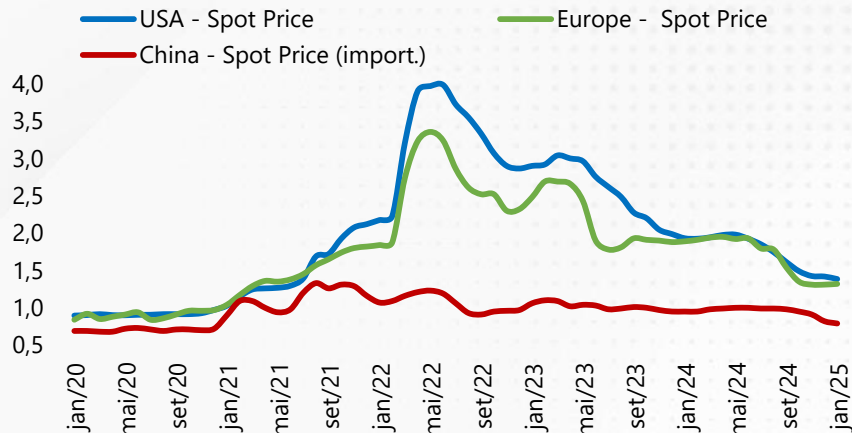


Market Overview - Stainless Steels and FeCr

World production of stainless steels – ton.



HC FeCr price evolution (realized) – USD/lb



- According to estimates from specialized reports, **in 4Q24, Brazilian stainless-steel production fell by 17.2%** compared to 3Q24. A similar result to the year-to-date, when production fell by 17.6% compared to 2023.
- **The price of Chinese HC FeCr maintained a downward trajectory between 3Q24 and 4Q24**, influenced by the reduction in the price of chrome ore and the oversupply of HC FeCr, which has been ongoing since 1Q23. This scenario was intensified in 2024, **when the supply of this alloy in the Chinese domestic market grew by 15.8%, more than twice the 7.5% increase in the country's consumption.**

Strategic Projects



Competitive Energy



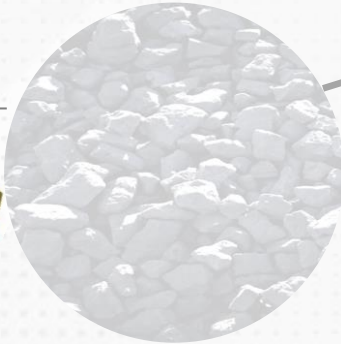
Production of ferroalloys



Bioreducer Supply



Coke



Ferbasa



Chromium Ore



Limestone

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